Ascent Wealth
STRATEGIES

FOR OWNERS NETTING $2 MILLION OR MORE

The Revenue-Protection Guide for *Construction Owners*

Buying iron in December is not a tax plan. This guide starts where the year-end email stops: the structures that decide how much of a strong year you actually keep.

BEFORE YOU START

Read this first

This guide is written for one specific reader: the owner of a construction business netting $2 million or more a year, who already has a competent CPA.

Because you have a competent CPA, we are going to skip the things they already handle. Nothing in these pages is about maximizing deductions, buying equipment for the write-off, or bonus depreciation. If a strategy shows up in a year-end email from your accountant, it is not in this guide.

What is in this guide is the layer above that: the structures, elections, and timing decisions that decide how much of a strong year you actually keep. These are planning decisions, not filing decisions. They get made mid-year, they usually involve more than one advisor, and in our experience they are the difference of six to seven figures a year for owners at your level.

Every strategy here sits inside the Internal Revenue Code, is used routinely by well-advised companies, and survives scrutiny when it is implemented for its real purpose. Where a strategy has attracted IRS attention, we say so directly and tell you what separates the clean version from the version that deserves the attention.

One calibration note. Our clients net between $2 million and $50 million a year. Everything in this guide starts working at $2 million, and most of it keeps scaling well past $20 million. Where the bigger brackets change the answer, we say so. If you are north of $5 million, read page 14 before anything else; it was written for you.

One more thing. None of this is a criticism of your CPA. Compliance and planning are different jobs. Your CPA was hired to file accurate returns and keep you out of trouble, and a good one is worth keeping. Our job is to work with them, not replace them. Planning is a different discipline with a different calendar, and it is nobody's job until you assign it to someone.

THE FRAME

Why owners at your level overpay: the compliance ceiling

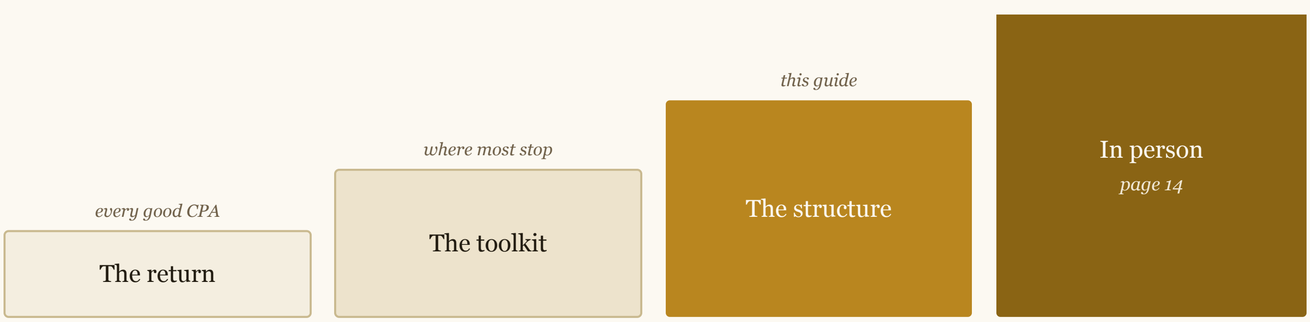
Ask a room of contractors netting $2 million-plus who handles their tax planning and most will name their CPA. Ask what that planning consisted of last year, and the answer is usually: the return got filed, the equipment got expensed, and somebody suggested buying more iron in December.

Nobody failed there. There is just a ceiling on what the compliance relationship was set up to do. Tax work comes in three altitudes:

The return. Accurate books, clean filings, reasonable salaries, quarterlies that don't surprise you. This is compliance. Every competent CPA delivers it.

The toolkit. Depreciation elections, cost segregation, state credits, the R&D credit if someone thought to look. Good CPAs get here, and if yours has, keep them. This is also where the relationship almost always plateaus, because everything above this line stops being tax preparation and starts being engineering: work that happens mid-year, involves lawyers and actuaries and plan administrators, and never shows up as a line on the return.

The structure. Stacked retirement plans, formalized self-insurance, contract-method elections, entity architecture, exit-ready design. This is where owners at your level separate from the pack. Nobody owns it by default, which is why it goes undone even at companies with excellent CPAs. That layer is what this guide is about.



Three altitudes of tax work, and a fourth this guide only points to (page 14).

LEAK NO. 1 · RETIREMENT

You are funding everyone's retirement except yours

We see the same pattern all the time. A contractor nets $3 million, runs a safe-harbor 401(k) with a match because that is what you do for the crew, and personally puts away $30k a year. Meanwhile his attorney friend with a tenth of the income is putting away ten times as much.

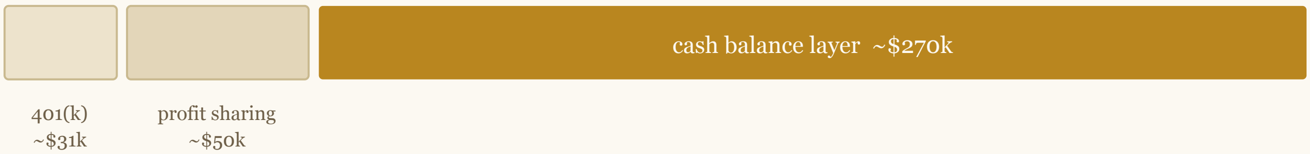
The fix is plan stacking: layering a cash balance or defined benefit plan on top of a properly designed 401(k) and profit-sharing plan. Done correctly, an owner in his 50s can typically direct $250,000 to $450,000 per year pre-tax into his own accounts, and more when a spouse is legitimately on payroll. The IRS explicitly permits this. The math works because these plans are age-weighted: the closer you are to retirement age, the more the rules let you catch up.

The construction-specific angle your CPA may not have raised: if your field workforce is union, your collectively bargained employees are generally excludable from these plans' coverage testing. Owners of union shops tend to assume a rich owner-side plan is impossible with 60 guys in the field, when in practice the plan is tested on the office census, which might be eight people.

And if you pay prevailing wage on public work, fringe dollars directed into bona fide benefit plans instead of the paycheck stop bleeding payroll taxes and workers' comp premium on the way through.

> *A 60-man field crew does not limit what the owner's plan can look like; the plan is tested on the office census.*

What stacking looks like at age 55 *(illustration)*



Total: roughly $350,000 per year, pre-tax, owner-directed.

Actual capacity depends on age, census, and compensation design. A younger owner sees less; a 60-year-old often sees more.

WHAT IT'S WORTH

An owner, 55, netting $3M, stacking $350k/year pre-tax at a 40%+ combined marginal rate keeps roughly $140k a year that was leaving, while building a seven-figure asset that sits outside the business and outside most creditor claims.

Two scaling notes. Past $10 million of profit, plan contributions become the small lever, and the structural sections that follow are where those owners live. And for owners well behind on retirement savings after decades of reinvesting in the company, this is the fastest legal catch-up mechanism that exists; the rules were written for that situation.

Setting one up is less exotic than it sounds. An actuary designs the formula against your census, the plan files with the IRS like any other qualified plan, and contribution levels get set with enough room to breathe with your backlog. It runs alongside the 401(k) your crew already has, and nobody in the field notices a change.

YOU LIKELY HAVE THIS LEAK IF

You are over 45, your only plan is a 401(k) or SIMPLE IRA, and your personal retirement balance is less than one year of your company's profit.

LEAK NO. 2 · RISK

You are already self-insuring your biggest risks, with after-tax dollars

Think about what your commercial policies exclude: subcontractor default, warranty and defect tails after closeout, loss of your largest GC relationship, weather and schedule liquidated damages, a key estimator walking out mid-backlog. You carry those risks today. You pay for them when they happen, out of profit that was already taxed.

A properly structured captive insurance company formalizes what you are already doing. Your company pays real premiums, priced by independent actuaries, to an insurance subsidiary you own. That entity underwrites the specific risks your commercial policies exclude, builds reserves, and pays claims when they hit. Under Section 831(b), a small captive can receive premiums of just under $3 million a year (2026 indexing) taxed only on its investment income, and those premiums are deductible to your operating company when the arrangement is genuine insurance.

RISK YOU CARRY TODAY	COMMERCIAL PROGRAM	WITH A FORMALIZED LAYER
Subcontractor default	✗	✓
Warranty / defect tail after closeout	✗	✓
Loss of largest GC or client relationship	✗	✓
Weather / schedule liquidated damages	✗	✓
General liability, property, auto	✓	*stays commercial*

The honest version

Read this part carefully. The IRS actively scrutinizes small captives, and it should. A wave of promoters sold them as tax products with fake risks and premiums reverse-engineered from the tax benefit, and the IRS has litigated those into the ground and now requires disclosure of certain captive arrangements.

What survives, and what has always survived, is the version that is insurance first: real, quantifiable risks; arm's-length actuarial pricing; genuine underwriting and claims history; reserves invested conservatively. If anyone pitches you a captive by leading with the deduction, walk away. Start from the other end: what risks are you carrying bare, and what would an insurer charge you for them?

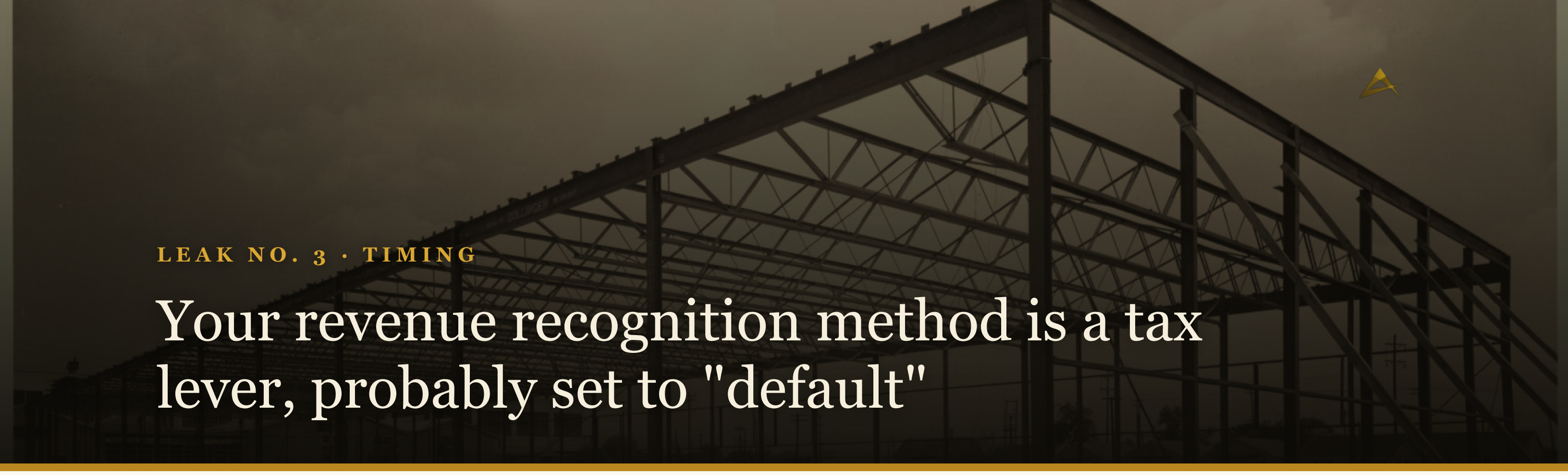
WHAT IT'S WORTH

For contractors netting $2M+, formalized self-insurance commonly shifts $500k to $1.5M a year of otherwise-taxed profit into reserves that protect the company, and those reserves compound outside the operating entity, out of reach of most business creditors. At larger profit levels, the program scales with the risk it insures.

One practical note: a captive is a real insurance company, with a regulator, an actuary, an audit, and annual filings. None of it is set-and-forget, and that is the point. The overhead is what separates a real insurance company from a deduction with paperwork. Budget for real administration, and treat the reserves as what they are: the company's rainy-day capital, invested conservatively, ready to pay a claim.

YOU LIKELY HAVE THIS LEAK IF

You have ever eaten a six-figure loss your carrier excluded, and your reaction was to raise your margins rather than to structure the risk.



LEAK NO. 3 · TIMING

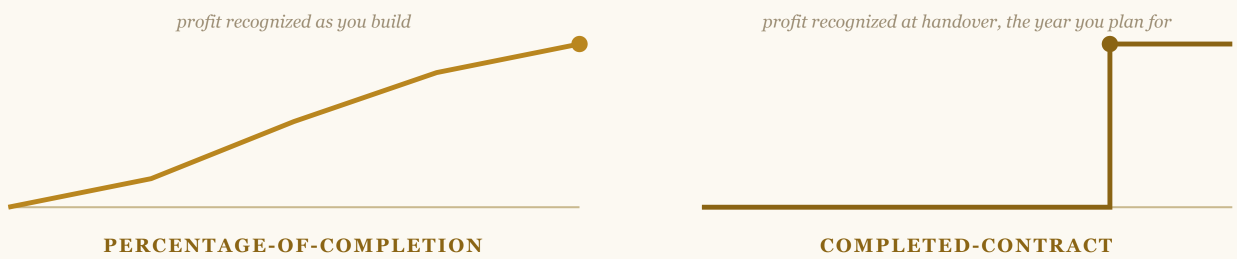
Your revenue recognition method is a tax lever, probably set to "default"

Most contractors inherit their accounting method from whoever set up the company and never revisit it. But for a construction business, *when* income is recognized is one of the few tax variables you can control, and the code gives contractors options almost no other industry gets.

— **The small-contractor exemption.** If your average gross receipts are under roughly $31 million (2026, indexed) and your contracts run under two years, you are not required to use percentage-of-completion for regular tax. Completed-contract or cash-method treatment can defer entire jobs' profit into the year of completion. Many contractors under the threshold are sitting on percentage-of-completion simply because nobody asked.

— **Retainage.** Depending on your method and contract terms, retainage receivable may not need to be recognized until your right to it is fixed. On $30M of annual volume at 5-10% retainage, that is real money parked outside taxable income.

When the same job's profit hits your return *(illustration)*



> *The method decides which year the same profit lands in.*

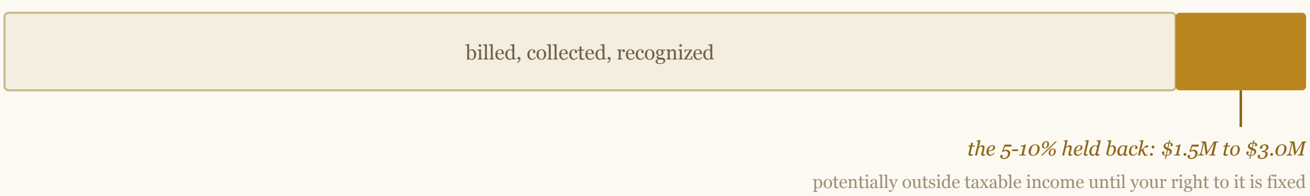
— **Home construction contracts** are exempt from percentage-of-completion entirely, regardless of company size. Builders and developers have deferral options commercial GCs do not.

Method changes require elections and sometimes IRS consent, and look-back interest rules police abuse on long jobs. That is why this is planning work rather than filing work: the right method gets chosen against your backlog, your growth curve, and your bonding needs, not picked off a menu in April.

WHAT IT'S WORTH

On a contractor growing profit year over year, method and timing planning routinely defers $500k to $2M of income into later, better-planned years. Deferral is not forgiveness, but at your bracket, a dollar deferred into a year with a stacked plan and a captive in place is a dollar you keep working.

Retainage on $30M of annual volume *(illustration)*



Illustrative only; treatment depends on your accounting method and contract terms.

YOU LIKELY HAVE THIS LEAK IF

You cannot name your revenue recognition method without calling your CPA, or your quarterly estimates spike every fourth quarter as jobs close.

LEAK NO. 4 · CREDITS

Credits with your company's name on them, parked or expiring

Four items worth a direct conversation this quarter:

R&D credit + Section 174 | 45L & 179D lookback | State PTET election | Fuel excise refunds

The R&D credit is not just for tech companies, and 2025 changed the math. Design-build work, means-and-methods problem solving, BIM coordination, value engineering, prototyping a connection detail nobody has built before: this is qualifying research activity when documented properly. Just as important, the 2025 tax law restored immediate expensing of domestic R&D costs (they had been forced onto five-year amortization since 2022, which wrecked plenty of contractors' returns), and smaller businesses were given a window to amend 2022-2024 returns and recover what that rule cost them.

One habit makes the difference here: build the file as the work happens. Contemporaneous time records, design iterations, test results. A file like that holds up under exam; one reconstructed in March is much weaker.

> *2022-2024*
>
> the returns smaller businesses can now reopen under the restored expensing rules. If those years carried amortized research costs, the recovery math is worth running before the window closes.

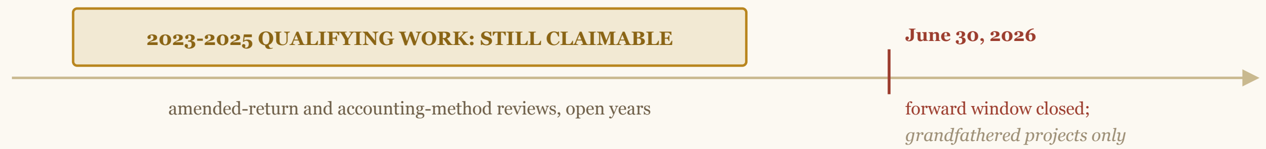
> *If your CPA has not mentioned Section 174 since 2022, ask why.*

The energy-efficiency credits are ending; the lookback is not. The 45L credit (up to $5,000 per qualifying home) ends for homes acquired after June 30, 2026, and the 179D deduction (several dollars per square foot on efficient commercial buildings, including allocations to designers and builders of government projects) ends for projects starting construction after that same date. The forward window has essentially closed. What remains is the salvage: projects already grandfathered, and amended-return or accounting-method reviews for buildings and homes delivered in prior open years. If you built qualifying work in 2023-2025 and never claimed it, that money is still on the table for a limited time.

The state PTET election. If your company passes income to you personally, most states let the entity pay state income tax at the company level and hand you a federal deduction the personal SALT cap would otherwise deny. The 2025 law raised the personal SALT cap but phases the benefit out at high incomes, so for owners at your level the entity-level election still governs. This is a checkbox-and-calendar item worth $30k to low six figures a year, and it is missed constantly.

Fuel and equipment excise refunds. Off-road diesel in yellow iron, generators, and pumps carries federal excise tax that is refundable. Fleets burn six figures of off-road fuel and claim nothing. Small dollars next to the items above, but it is a five-minute question.

The 45L / 179D window *(illustration)*



What remains of the energy-efficiency credits is the lookback; screen delivered work before the open years close.

YOU LIKELY HAVE THIS LEAK IF

Your CPA has never asked you what your PMs and estimators actually do all day, or you self-perform design work and have never filed Form 6765.

LEAK NO. 5 · STRUCTURE

One entity doing five jobs

A $2M+ contractor running everything through a single S corporation is asking one entity to be an operating company, a real estate holder, an equipment owner, a benefits platform, and an estate plan. It does all five jobs badly.

Real estate out of the operating company. Your shop, yard, and any owned buildings belong in separate LLCs leasing back to the operating entity at market rent. That isolates your most bankable assets from job-site liability, creates a clean rental income stream, and sets up cost segregation where it helps.

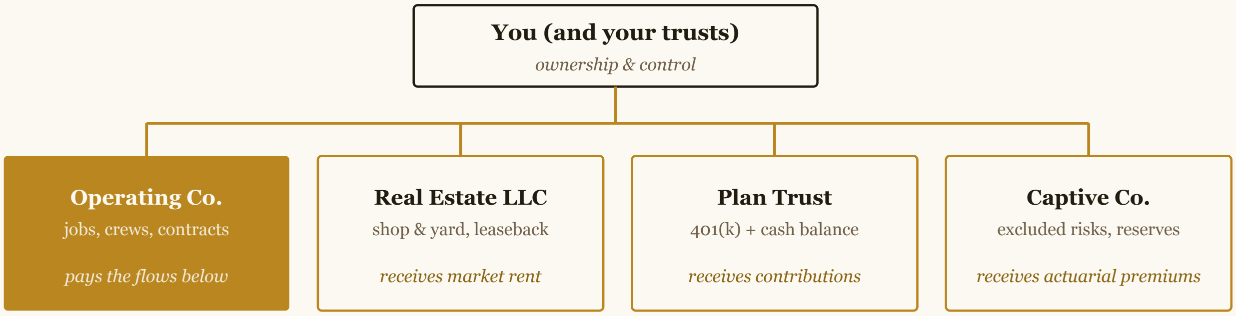
Equipment can follow the same logic. A separate equipment entity leasing iron back to the operating company at market rates isolates titled assets and gives the fleet its own depreciation home. Whether it earns its paperwork depends on fleet size and your bonding math; run it as a design question.

THE SEQUENCE MATTERS

Entity architecture is the foundation the other leaks build on: the plan trust needs the right sponsor and census, the captive needs a clean insured, the leaseback needs real rent, and the exit chapter needs all of it documented years before a buyer looks. Owners who fix structure first find every later strategy cheaper and cleaner to implement.

Six figures

the first-year depreciation typically sitting, unstudied, in the walls, yard paving, and specialty electrical of a shop or facility that has never had a cost segregation study.



The architecture conversation: each job in the entity built for it, every dollar moving for a documented reason.

Owner compensation, run as a calculation. Your W-2 versus distribution split drives payroll tax, the QBI deduction, and your retirement plan capacity all at once. We regularly meet owners paying themselves double the salary the plan design needs (bleeding payroll tax) or half of it (capping their own retirement contributions and inviting IRS attention). It is one calculation, run annually, and almost nobody runs it.

Which entity signs, which entity owns. Bonded work, licensure, and prequalification sometimes force structure choices, which is why the architecture gets designed around your surety and your state board instead of copied from a podcast.

A note on the family payroll idea you have probably heard about: it is real, and at your scale it is small. An advisor who leads with it is showing you the top of their list. It is worth knowing about, mostly so a pitch built on it does not impress you.

None of this requires exotic paperwork. It is ordinary LLCs, leases, and minutes, kept current, with every dollar moving for a reason you can show an auditor or a buyer.

YOU LIKELY HAVE THIS LEAK IF

Your operating company owns your building, or you have never seen a written analysis of your own salary number.

FOR OWNERS NETTING $5 MILLION AND UP

What this guide leaves out, on purpose

Everything to this point starts working around $2 million in profit, and past roughly $5 million the conversation changes: the dollar amounts get larger, the structures involve more parties, and the quality of the work starts to matter more than the fee attached to it.

We keep that tier out of a downloadable guide on purpose. Whether any of it is appropriate depends on facts we do not have yet: your entities, the character of your income, your state, your liquidity, your appetite for complexity and administration. It is impossible to put all of that into a guide like this, and it deserves a much bigger discussion than twenty-four pages can give it.

Four questions to ask anyone who brings you a sophisticated structure. What is the economic substance, apart from the tax result? Who administers it, and are they independent of whoever is selling it? Have my own CPA and attorney seen the complete paper? What does it cost to unwind if the law changes? Slow answers to any of the four are your answer.

WHERE THE CONVERSATION USUALLY GOES AT THIS TIER · CATEGORIES ONLY

Compensation redesign
Rebuilding how owners are paid once the numbers justify the engineering.

Revenue shifting across entities
Repositioning income across entities and tax structures for materially better treatment of the same dollars.

Direct energy participation
Drilling, solar, and energy-storage ownership with intangible-cost, credit, and depreciation profiles.

Advanced charitable structures
Lead trusts and charitable entities that turn real philanthropy into current deductions, with control retained.

Transferable credit acquisition
Settling federal liabilities with purchased, discounted credits from the transfer market.

Gain deferral & opportunity zones
Repositioning large gains through qualified deferral vehicles, including the current opportunity-zone regime.

Categories, not recommendations; what fits, if anything, is a suitability question for you and your counsel. In this bracket, skip the scorecard and call us first.

THE PART NOBODY TALKS ABOUT

Tax strategy versus bonding capacity

This is where generic tax advice hurts contractors, and where you can tell in one meeting whether an advisor has worked with one.

Every dollar of income you defer, depreciate, or shift is a dollar that is not sitting in the equity and working capital your surety underwrites. Aggressive tax planning, done in isolation, can shrink the very balance sheet that qualifies you for the next job. Your surety does not read your financials the way the IRS does: working capital, equity, and the trend line decide your program, and several of the strategies in this guide move all three.

> *$400k saved, 10× lost*
>
> the trade we watched one contractor make: $400k saved in tax, bonding capacity worth ten times that in gross margin given up. The right question is never just "how much tax can I avoid this year."

One move, two ledgers *(illustration)*

$400k deferred
one planning decision

→ **THE TAX LENS**
a smaller bill in April

→ **THE SURETY LENS**
less working capital, and up to ten times that in program capacity

The surety reads the same balance sheet the IRS does, with a different verdict.

> *Every tax strategy in this guide should be run past your surety math first; most never are.*

The fix is sequencing, and it looks like this:

- **Know your surety's math before you move.** Working capital and equity thresholds, what your underwriter adds back, how they treat retirement plan contributions versus retained earnings. Deferral inside a pension trust reads very differently to an underwriter than cash stripped out of the company.
- **Coordinate the financial statement and the tax return.** Your CPA-prepared statement for the surety and your tax return do not have to tell the same story in the same year, and managing that gap legally is a discipline of its own.
- **Time the big moves.** The year you are stretching for a program increase is not the year to strip the balance sheet. The year after you land the backlog might be.

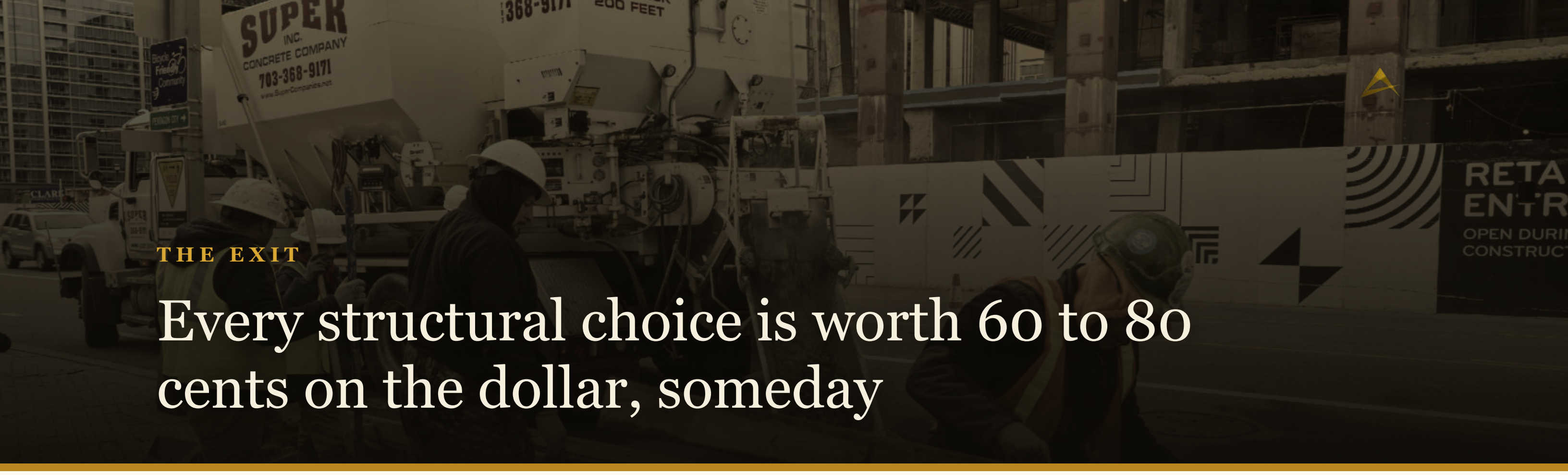
The same tension shows up with your bank line and with prequalification statements, and the same sequencing discipline answers it.

THE TAKEAWAY

The right question is "what is the most tax-efficient path that keeps my bonding, banking, and growth capacity intact." That question requires your CPA, your surety agent, and your planner in the same conversation. Getting those people to talk is, frankly, most of our job. Bring your underwriter a plan instead of a surprise and the whole conversation changes tone.

YOU LIKELY HAVE THIS LEAK IF

Your tax plan has never been reviewed against your surety's working-capital and equity math, or your CPA and your surety agent have never spoken.



THE EXIT

Every structural choice is worth 60 to 80 cents on the dollar, someday

Construction companies at your scale change hands at roughly 4 to 6 times EBITDA, more with recurring service revenue or a niche. Whether you keep 80 cents or 55 cents of each of those dollars is decided years before the LOI, by structure:

— **Addbacks get built years before the sale.** Owner compensation above market, planning-driven expenses, and properly structured revenue positioned in related entities can be added back to EBITDA in diligence, meaning a dollar of profit you protected from tax along the way can still count at full multiple when you sell. Sloppy versions of the same moves get thrown out in diligence and cost you multiple instead.

— **Asset sale versus equity sale is where buyers negotiate your tax bill.** Buyers want asset treatment; your after-tax outcome can swing seven figures on this single point.

Both are documentation plays. The same dollar of profit, papered two different ways, sells for a different multiple, and the papering has to happen in the years before anyone is looking.

Why designed addbacks matter at 5x *(illustration)*

$4.0M → **$5.0M** → **$5.0M × 5 = $25M** sale price

reported EBITDA | after $1.0M of documented addbacks | vs $20M undocumented

Illustrative only; add-back treatment is negotiated in diligence.

— **The C corporation question deserves a fresh look.** The 2025 law expanded the qualified small business stock exclusion for newly issued stock: up to $15 million of gain excludable, with a tiered 50/75/100% schedule at three, four, and five years of holding. For contractors a decade from exit, the entity-choice math has changed. It is not a conversion to make casually (old S corporation stock does not simply become qualifying stock), which is why it belongs in a planning conversation now instead of a diligence discovery later.

— **Rollover equity defers tax on the piece you keep.** In a PE sale, the 20-30% you roll is typically not taxed at closing. Modeled correctly, the roll plus the addbacks decide your real number.

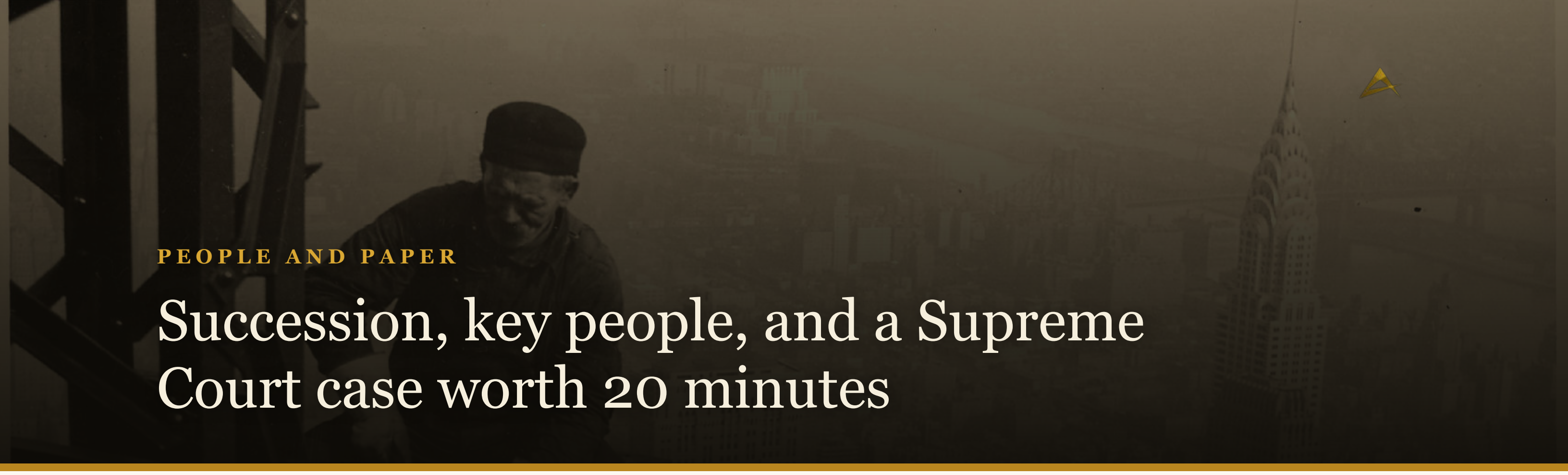
— **WIP quality is valuation.** Buyers price the reliability of your work-in-progress schedule. Clean WIP, disciplined job costing, and low owner-dependence add turns of multiple; that work takes two to three years, which is the real reason exit planning starts long before a sale.

And if a sale is already on your mind: pre-sale planning is a discipline of its own. Exemption and trust work completed before the letter of intent, charitable components sized against the gain, installment and rollover design, and, at the top tier, structures from the page-14 shelf applied to the capital gain itself. Most of these options expire the day the deal signs, which is why the sale conversation belongs at the start of the planning, not the end.

> *Exit planning is two to three years of work; the sale conversation belongs at the start.*

YOU LIKELY HAVE THIS LEAK IF

You have fielded an unsolicited acquisition inquiry (nearly everyone at your size has) and your response was a gut-feel number rather than a structure.



PEOPLE AND PAPER

Succession, key people, and a Supreme Court case worth 20 minutes

Your estimators and PMs are the asset. Whether you exit to a buyer, to family, or to your own team, the people who price and run the work are what a buyer is buying. Retention structures worth knowing: performance-vested retention bonuses, true deferred compensation, and phantom stock, which gives key people a contractual share of value growth with no equity, no vote, and no minority-shareholder rights. For family transitions, gifts of non-voting stock at appraised (and often discounted) values move value without moving control.

Now the urgent one. In 2024, the Supreme Court decided *Connelly v. United States*, and most closely held buy-sell agreements have not caught up. The short version: if your company owns life insurance on the owners and is obligated to redeem a deceased owner's shares, the insurance proceeds count toward the company's value for estate tax purposes, without an offset for the redemption obligation. A structure that was standard practice for decades now inflates the taxable estate of the very person it was meant to protect.

RETENTION MECHANISM	WHAT THE KEY PERSON GETS	VOTE OR EQUITY GIVEN
Phantom stock	a contractual share of value growth	**none**
True deferred compensation	promised future pay, on a schedule	**none**
Performance-vested bonus	cash tied to staying and delivering	**none**

Three ways to tie key people to the outcome without opening the cap table.

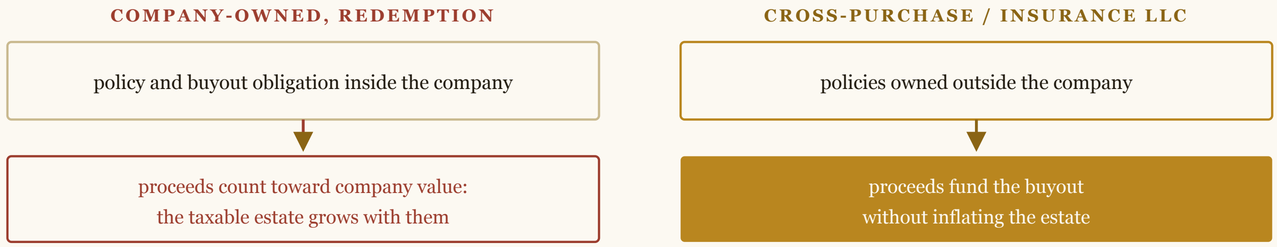
> *30–40%*
>
> the share of the incentive the wrong mechanism can lose to tax, for you and for the key person it was meant to keep.

Three things to check in your buy-sell this week

1. **Who owns the policies:** the company (exposed) or the owners / a dedicated insurance LLC (generally not)?
2. **How is price set:** a real valuation mechanism, or a stale certificate of value from 2016, or, worse, "the face amount of the insurance"?
3. **Does the funding still match the value:** companies double or triple in value while the policies bought in 2015 stay flat, leaving the survivors funding a buyout out of working capital, which is to say out of bonding capacity.

> *June 2024*
>
> the month the *Connelly* decision redrew the rules. If your agreement predates it, twenty minutes answers all three questions above.

Why *Connelly* changed the math *(illustration)*



Simplified; the right structure depends on your agreement, ownership, and state.

YOU LIKELY HAVE THIS LEAK IF

Your buy-sell predates June 2024, or you have partners and cannot say from memory who owns the policies on your life.

ESTATE

The exemption got bigger; your company is growing faster

The 2025 law set the federal estate and gift exemption at $15 million per person ($30 million per couple) from 2026, indexed and no longer scheduled to sunset. Plenty of owners heard that and crossed estate planning off the list. Two problems with that.

First, the math. A contractor netting $3M is plausibly worth $15-25M today between the company, real estate, and everything else, and compounding at your rates, today's "under the exemption" is next decade's eight-figure estate tax problem. At $10M a year of profit, the question is no longer whether the 40% tax applies; it is whether your heirs can pay it, in cash, on a nine-month clock, without selling the thing you built.

Second, the real clock is asset appreciation. The entire game is moving assets while they are cheap and letting them appreciate outside your estate. For a contractor, that means the down cycle, the thin-backlog year, the moment before the new division takes off: appraised minority interests gifted or sold into the right trust at those moments move future growth off your balance sheet while you keep voting control. Wait for the record year and you gift at the top. And if your state has its own estate or income tax, the state layer is often the more solvable problem: residency, trust situs, and entity domicile are all choices.

> *20–35%*
>
> the valuation discount defensible on appraised minority interests gifted at the right moment in the cycle, with control retained. At the top of the cycle the discount shrinks while the value grows.

YOU LIKELY HAVE THIS LEAK IF

Your estate plan is a will and a revocable trust from before your company got serious, or your buy-sell, insurance, and estate documents were drafted by three people who have never spoken.

THE SCORECARD

The 12-leak scorecard

Check every box you can answer "yes, handled, and I've seen the analysis" on. The twelve draw from the five numbered leaks and the bonding, exit, succession, and estate chapters that follow them.

1. ☐ My retirement contributions exceed $200k/year pre-tax, or I know exactly why they can't.
2. ☐ My CPA brings me proactive planning during the year; I am not the one chasing it.
3. ☐ The risks my carriers exclude are formally structured and reserved for, insurance-first.
4. ☐ I know my revenue recognition method, and it was chosen, not inherited.
5. ☐ Someone has evaluated my jobs for R&D credit and reviewed 2022-2024 under the restored expensing rules.
6. ☐ Someone is actively engineering down the tax bill that remains after my deductions and credits.
7. ☐ My company makes the PTET election in every state where it helps.
8. ☐ My real estate sits outside my operating company, leased back, cost-segregated.
9. ☐ My salary/distribution split is recalculated annually against payroll tax, QBI, and plan limits.
10. ☐ My tax plan has been reviewed against my surety's working-capital and equity math.
11. ☐ My buy-sell has been reviewed since the 2024 *Connelly* decision, and I know who owns the policies.
12. ☐ I have a written exit structure (addbacks, entity choice, rollover plan), not just a number in my head.

SCORING

10-12 checked: you are the well-advised minority, and we would enjoy meeting your team. 6-9: there are likely several six-figure conversations on this page worth having. Five or fewer, and in our experience the unaddressed items tend to compound on each other year after year. Every situation is different and none of this is a projection, but at your income the analysis is worth running.

Keep the scorecard. On a thirty-minute call we will tell you which of the twelve exist in your numbers and roughly what each one is worth, with no preparation required beyond this page. And when the moment is right to bring your CPA into the picture, we will coach that conversation so it lands as collaboration, not criticism; the good ones become our best allies on implementation.

> *12 boxes, 30 minutes*
>
> what it takes to find out which of these leaks exist in your numbers, and roughly what each one is worth. That is the whole agenda of the call.

What happens after the call

1. The call
thirty minutes, this scorecard, no preparation

→

2. The look
we size the leaks that exist in your real numbers

→

3. Your decision
a written short list, in order, yours either way

> *Bring the scorecard; we will bring the numbers.*

WHO WROTE THIS

Ascent Wealth Strategies

Ascent Wealth Strategies is a business owner family office with experience in the construction space. Our clients are contractors, builders, and trade-company owners netting $2 million to $50 million a year. The work starts with advanced revenue protection strategies, because that is usually where the biggest and fastest gap is, and extends through asset protection, retirement plan design, exit and succession planning, and estate work, coordinated with your CPA and attorney rather than around them.

We are fiduciaries. Every recommendation comes with the reasoning, the risks, and references you can check. Where implementation involves specialized third-party providers or affiliated entities, we tell you who does what, and how they are compensated, before you commit to anything.

The next step, if you want one

A complimentary strategy call. Thirty minutes, direct feedback on which of the twelve leaks apply to you and roughly what they are worth in your numbers. If the honest answer is "your CPA has you covered," you will hear that too.

ascentwealthstrategies.com